

## MIRA INFORM REPORT

Report No. :	545468
Report Date :	15.12.2018

### IDENTIFICATION DETAILS

Name :	THAKHAM MACKEREL CO., LTD.
Formerly Known As :	KUNG RUNGRUANG CO., LTD
Registered Office :	1,3 Soi Thakham 11, Samaedam, Bangkhunthien, Bangkok 10150
Country :	Thailand
Financials (as on) :	31.12.2017
Date of Incorporation :	18.10.2002
Com. Reg. No.:	0105545110827
Legal Form :	Private Limited Company
Line of Business :	The subject is engaged in importing and distributing frozen seafood particularly Mackerel fish.
No. of Employees :	50

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

**MIRA's Rating :** A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	Clear

### NOTES :

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**ECGC Country Risk Classification List**

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Thailand	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

**THAILAND - ECONOMIC OVERVIEW**

With a relatively well-developed infrastructure, a free-enterprise economy, and generally pro-investment policies, Thailand is highly dependent on international trade, with exports accounting for about two-thirds of GDP. Thailand's exports include electronics, agricultural commodities, automobiles and parts, and processed foods. The industry and service sectors produce about 90% of GDP. The agricultural sector, comprised mostly of small-scale farms, contributes only 10% of GDP but employs about one-third of the labor force. Thailand has attracted an estimated 3.0-4.5 million migrant workers, mostly from neighboring countries.

Over the last few decades, Thailand has reduced poverty substantially. In 2013, the Thai Government implemented a nationwide 300 baht (roughly \$10) per day minimum wage policy and deployed new tax reforms designed to lower rates on middle-income earners.

Thailand's economy is recovering from slow growth during the years since the 2014 coup. Thailand's economic fundamentals are sound, with low inflation, low unemployment, and reasonable public and external debt levels. Tourism and government spending - mostly on infrastructure and short-term stimulus measures - have helped to boost the economy, and The Bank of Thailand has been supportive, with several interest rate reductions. Over the longer-term, household debt levels, political uncertainty, and an aging population pose risks to growth.

Source : CIA

## **COMPANY NAME**

THAKHAM MACKEREL CO., LTD.

[FORMER: KUNG RUNGRUANG CO., LTD.]

## **SUMMARY**

**BUSINESS ADDRESS** : 1, 3 SOI THAKHAM 11, SAMAEDAM,  
BANGKHUNTHIEN, BANGKOK 10150, THAILAND  
**TELEPHONE** : [66] 2895-6390-1, 081 466-5930, 088 797-4654  
**FAX** : [66] 2895-6391  
**E-MAIL ADDRESS** : [thakamcold\\_tkc@hotmail.com](mailto:thakamcold_tkc@hotmail.com)  
[thakhammackerel@gmail.com](mailto:thakhammackerel@gmail.com)  
**REGISTRATION ADDRESS** : SAME AS BUSINESS ADDRESS  
**ESTABLISHED** : 2002  
**REGISTRATION / TAX ID NO.** : 0105545110827  
**CAPITAL REGISTERED** : BHT. 20,000,000  
**CAPITAL PAID-UP** : BHT. 20,000,000  
**SHAREHOLDER'S PROPORTION** : THAI : 100%  
**FISCAL YEAR CLOSING DATE** : DECEMBER 31  
**LEGAL STATUS** : PRIVATE LIMITED COMPANY  
**EXECUTIVE** : MR. SOMBOON LEELASAKUNTHAM, THAI  
MANAGING DIRECTOR  
**NO. OF STAFF** : 50  
**LINES OF BUSINESS** : FROZEN SEAFOODS  
IMPORTER AND DISTRIBUTOR

## **CORPORATE PROFILE**

**OPERATING TREND** : STABLE  
**PRESENT SITUATION** : OPERATING NORMALLY  
**REPUTATION** : FAIR WITH NORMAL BUSINESS ENGAGEMENT  
**MANAGEMENT STANDARD** : MANAGEMENT WITH GOOD PERFORMANCE

## **HISTORY**

The subject was established on October 18, 2002 as a private limited company under the registered name "Kung Rungruang Co., Ltd.", by Thai groups, with the business objective to import and distribute frozen seafood particularly Mackerel fish.

On July 3, 2012 the subject's name was changed to THAKHAM MACKEREL CO., LTD. It currently employs approximately 50 staff.

The subject's registered address was initially located at 100/3-4 Moo 7, Rama 2 Road, Samaedam, Bangkhunthien, Bangkok 10150.

On June 16, 2011, its registered address was changed to 1, 3 Soi Thakham 11, Samaedam, Bangkhunthien, Bangkok 10150, by the Bangkhunthien District Office, which actually are the same location, and this is the subject's current operation address.

#### **THE BOARD OF DIRECTOR**

##### **MR. SOMBOON LEELASAKUNTHAM**

#### **AUTHORIZED PERSON**

The above director signs on behalf of the subject with company's affixed.

#### **MANAGEMENT**

**Mr. Somboon Leelasakuntham** is the Managing Director.  
He is Thai nationality with the age of 60 years old.

#### **BUSINESS OPERATIONS**

The subject is engaged in importing and distributing frozen seafood particularly Mackerel fish.

#### **PURCHASE**

80% of the products is imported from India, Malaysia, Myanmar, Republic of China, Pakistan, Vietnam, Indonesia, and the remaining 20% is purchased from local suppliers.

#### **SALES**

100% of the products is sold locally by wholesale to food processing industry and end-users.

#### **RELATED AND AFFILIATED COMPANY**

##### **Thakham Cold Storage Co., Ltd.**

Business Type : Manufacturer and exporter of frozen seafood

#### **LITIGATION**

##### **Bankruptcy and Receivership**

There are no litigation on bankruptcy and receivership cases filed against the subject found at Legal Execution Department for the past five years.

##### **Others**

There are no legal suits filed against the subject according for the past two years.

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## CREDIT

Sales are by cash or on the credits term of 30-60 days.  
Local bills are paid by cash or on the credits term of 30-60 days.  
Imports are by L/C at sight or T/T.

## BANKING

Kasikornbank Public Company Limited

## EMPLOYMENT

The subject employs approximately 50 staff.

## LOCATION DETAILS

The premise is owned for administrative office and warehouse at the heading address. Premise is located in industrial area.

## COMMENT

The subject is an importer and distributor of frozen seafood particularly mackerel fish. Subject has been in its business for sixteen years. Its products are for consumer market where demand of frozen seafood remains strong. The subject's operating performance in 2017 was impressive an increase in both sales or service income and net profit comparing to the previous year. With an increase in sales figures annually, the subject expects to eliminate the retained earning (deficit) in near the future.

## FINANCIAL INFORMATION

The capital was registered at Bht. 20,000,000 divided into 20,000 shares of Bht. 1,000 each with fully paid.

## THE SHAREHOLDERS LISTED WERE : [as April 29, 2017]

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
<b>Mr. Somboon Leelasakuntham</b> Nationality: Thai Address : 3 Soi Thakham, Samaedam, Bangkhunthien, Bangkok	16,000	80.00
<b>Ms. Apinya Duangsawad</b> Nationality: Thai Address : 3 Soi Thakham, Samaedam, Bangkhunthien, Bangkok	3,600	18.00
<b>Mr. Chamlong Leelasakuntham</b> Nationality: Thai Address : 3 Soi Thakham, Samaedam, Bangkhunthien, Bangkok	400	2.00

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**Total Shareholders : 3**

**Share Structure** [as at April 29, 2017]

<b>Nationality</b>	<b>Shareholders</b>	<b>No. of Share</b>	<b>% Shares</b>
Thai	3	20,000	100.00
Foreign	-	-	-
<b>Total</b>	<b>3</b>	<b>20,000</b>	<b>100.00</b>

**NAME OF AUDITOR & CERTIFIED PUBLIC ACCOUNTANT NO. :**

Maj. Gen. Nakorn Thongmee No. 0402

## **FINANCIALS**

**BALANCE SHEET [BAHT]**

The latest financial figures published for December 31, 2017, 2016 and 2015 were:

### **ASSETS**

<b>Current Assets</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Cash and Cash Equivalents	471,218.13	396,116.25	773,297.24
Trade Accounts and Other Receivable	50,231,686.27	47,172,946.21	9,516,841.42
Inventories	33,407,069.90	42,259,080.78	19,720,539.71
<b>Total Current Assets</b>	<b>84,109,974.30</b>	<b>89,828,143.24</b>	<b>30,010,678.37</b>
Property, Plant and Equipment	38,942,612.69	3,535,590.87	4,810,305.06
<b>Total Assets</b>	<b>123,052,586.99</b>	<b>93,363,734.11</b>	<b>34,820,983.43</b>

### **LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]**

<b>Current Liabilities</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Bank Overdraft and Short-term Loan from Financial Institutions	23,330,699.67	-	-
Trade Accounts and Other Payable	4,265,698.84	13,823,703.65	31,006,600.95
Accrued Income Tax	923,940.25	385,867.88	321,228.67
<b>Total Current Liabilities</b>	<b>28,520,338.76</b>	<b>14,209,571.53</b>	<b>31,327,829.62</b>

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**THAKHAM MACKEREL CO., LTD. - 545468**

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Long-term Loan	83,850,000.00	73,600,000.00	-
<b>Total Liabilities</b>	<b>112,370,338.76</b>	<b>87,809,571.53</b>	<b>31,327,829.62</b>
<b>Shareholders' Equity</b>			
Share capital : Baht 1,000 par value authorized, and issued share capital 20,000 shares	20,000,000.00	20,000,000.00	20,000,000.00
Capital Paid	20,000,000.00	20,000,000.00	20,000,000.00
Retained Earning -Unappropriated [Deficit]	[9,317,751.77]	[14,445,837.42]	[16,506,846.19]
<b>Total Shareholders' Equity</b>	<b>10,682,248.23</b>	<b>5,554,162.58</b>	<b>3,493,153.81</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>123,052,586.99</b>	<b>93,363,734.11</b>	<b>34,820,983.43</b>

**PROFIT & LOSS ACCOUNT**

<b>Revenue</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Sales or Services Income	1,433,971,800.00	673,834,625.00	542,816,606.00
Other Income	253,940.87	2,563,312.19	749,268.02
<b>Total Revenues</b>	<b>1,434,225,740.87</b>	<b>676,397,937.19</b>	<b>543,565,874.02</b>
<b>Expenses</b>			
Cost of Goods Sold or Services	1,425,670,551.46	673,011,093.97	540,893,951.44
Administrative Expenses	1,973,203.79	809,966.57	675,242.81
<b>Total Expenses</b>	<b>1,427,643,755.25</b>	<b>673,821,060.54</b>	<b>541,569,194.25</b>
Profit /[Loss] before Financial Cost and Income Tax	6,581,985.62	2,576,876.65	1,996,679.77
Financial Cost	[169,959.72]	-	[31,745.94]
Profit /[Loss] before Income Tax Income Tax	6,412,025.90 [1,283,940.25]	2,576,876.65 [515,867.88]	1,964,933.83 [418,621.67]
<b>Net Profit / [Loss]</b>	<b>5,128,085.65</b>	<b>2,061,008.77</b>	<b>1,546,312.16</b>

**THAKHAM MACKEREL CO., LTD.**

**FINANCIAL ANALYSIS**

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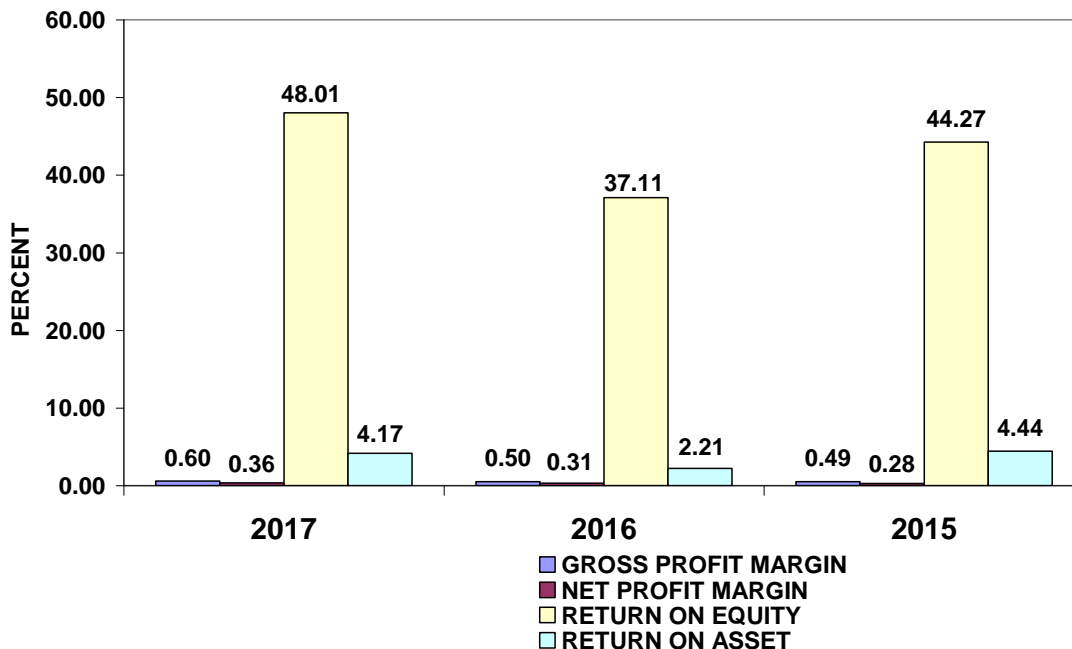
ITEM	UNIT	2017	2016	2015
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	2.95	6.32	0.96
QUICK RATIO	TIMES	1.78	3.35	0.33
<b>ACTIVITY RATIO</b>				
FIXED ASSETS TURNOVER	TIMES	36.82	190.59	112.84
TOTAL ASSETS TURNOVER	TIMES	11.65	7.22	15.59
INVENTORY CONVERSION PERIOD	DAYS	8.55	22.92	13.31
INVENTORY TURNOVER	TIMES	42.68	15.93	27.43
RECEIVABLES CONVERSION PERIOD	DAYS	12.79	25.55	6.40
RECEIVABLES TURNOVER	TIMES	28.55	14.28	57.04
PAYABLES CONVERSION PERIOD	DAYS	1.09	7.50	20.92
CASH CONVERSION CYCLE	DAYS	20.25	40.97	(1.22)
<b>PROFITABILITY RATIO</b>				
COST OF GOODS SOLD	%	99.42	99.88	99.65
SELLING & ADMINISTRATION INTEREST	%	0.14	0.12	0.12
GROSS PROFIT MARGIN	%	0.60	0.50	0.49
NET PROFIT MARGIN BEFORE EX. ITEM	%	0.46	0.38	0.37
NET PROFIT MARGIN	%	0.36	0.31	0.28
RETURN ON EQUITY	%	48.01	37.11	44.27
RETURN ON ASSET	%	4.17	2.21	4.44
EARNING PER SHARE	BAHT	256.40	103.05	77.32
<b>LEVERAGE RATIO</b>				
DEBT RATIO	TIMES	0.91	0.94	0.90
DEBT TO EQUITY RATIO	TIMES	10.52	15.81	8.97
TIME INTEREST EARNED	TIMES	38.73	-	62.90
<b>ANNUAL GROWTH</b>				
SALES GROWTH	%	112.81	24.14	
OPERATING PROFIT	%	155.42	29.06	
NET PROFIT	%	148.81	33.29	
FIXED ASSETS	%	1,001.45	(26.50)	
TOTAL ASSETS	%	31.80	168.12	

**ANNUAL GROWTH : EXCELLENT**

An annual sales growth is 112.81%. Sales Income has increased from THB 673,834,625.00 in 2016 to THB 1,433,971,800.00 in 2017. While net profit has increased from THB 2,061,008.77 in 2016 to THB 5,128,085.65 in 2017. And total assets has increased from THB 93,363,734.11 in 2016 to THB 123,052,586.99 in 2017.

**PROFITABILITY : IMPRESSIVE**

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**PROFITABILITY RATIO**

Gross Profit Margin	0.60	Acceptable	Industrial Average	1.55
Net Profit Margin	0.36	Satisfactory	Industrial Average	0.63
Return on Assets	4.17	Impressive	Industrial Average	2.28
Return on Equity	48.01	Impressive	Industrial Average	8.41

Gross Profit Margin used to assess a firm's financial health by revealing the proportion of money left over from revenues after accounting for the cost of goods sold. Gross profit margin serves as the source for paying additional expenses and future savings. The company's figure is 0.6%. When compared with the industry average, the ratio of the company was lower. This indicated that company may have problems with control over its costs.

Net Profit Margin is the indicator of the company's efficiency in that net profit takes into consideration all expenses of the company. A low profit margin indicates a low margin of safety, higher risk that a decline in sales will erase profits and result in a net loss. The company's figure is 0.36%. When compared with the industry average, the ratio of the company was lower.

Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. Return on Assets ratio is 4.17%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient profit in a dominant position within its industry.

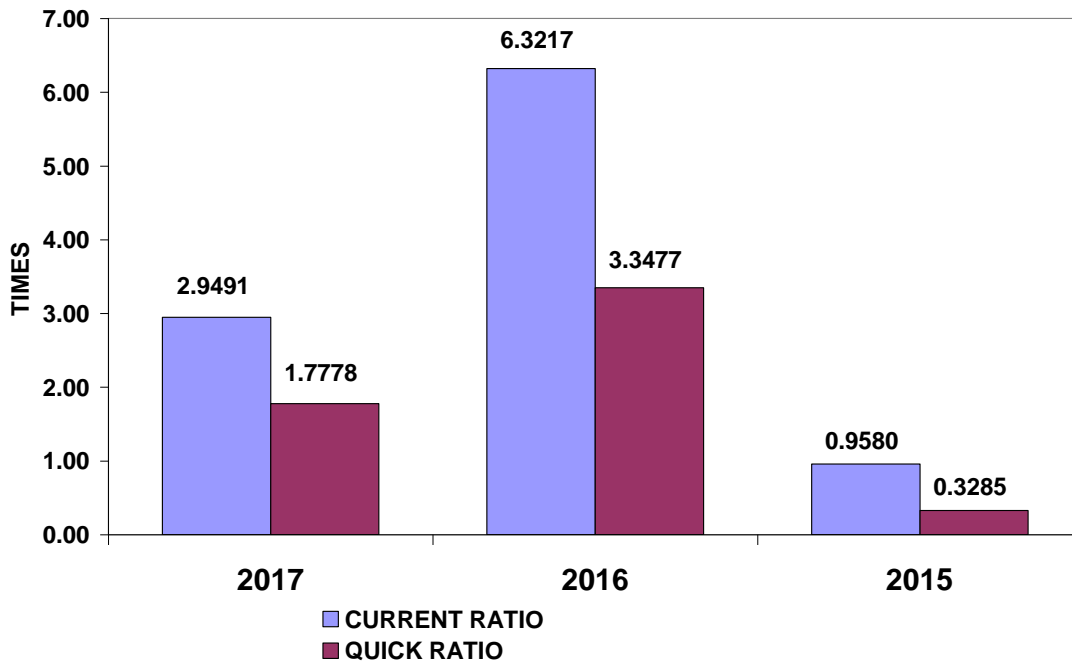
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Return on Equity indicates how profitable a company is by comparing its net income to its average shareholders' equity, ROE measures how much the shareholders earned for their investment in the company. Return on Equity ratio is 48.01%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient profit in a dominant position within its industry.

**Trend of the average competitors in the same industry for last 5 years**

Return on Assets                      Uptrend  
Return on Equity                      Uptrend

**LIQUIDITY : IMPRESSIVE**



**LIQUIDITY RATIO**

Current Ratio	2.95	Impressive	Industrial Average	1.37
Quick Ratio	1.78			
Cash Conversion Cycle	20.25			

The Current Ratio is to ascertain whether a company's short-term assets are readily available to pay off its short-term liabilities. The company's figure is 2.95 times in 2017, decrease from 6.32 times, then it is generally considered to have good short-term financial strength. When compared with the industry average, the ratio of the company was higher, indicated that company was an efficient operator in a dominant position within its industry.

The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 1.78 times in 2017, decrease from 3.35 times, although excluding inventory so the company still have good short-term financial strength.

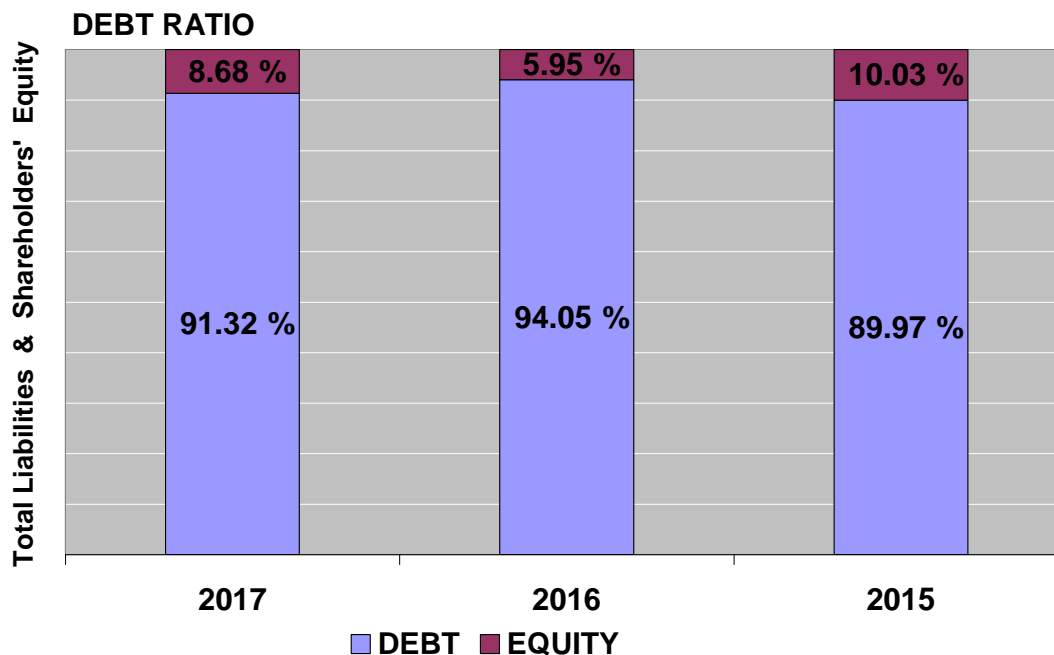
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The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 21 days.

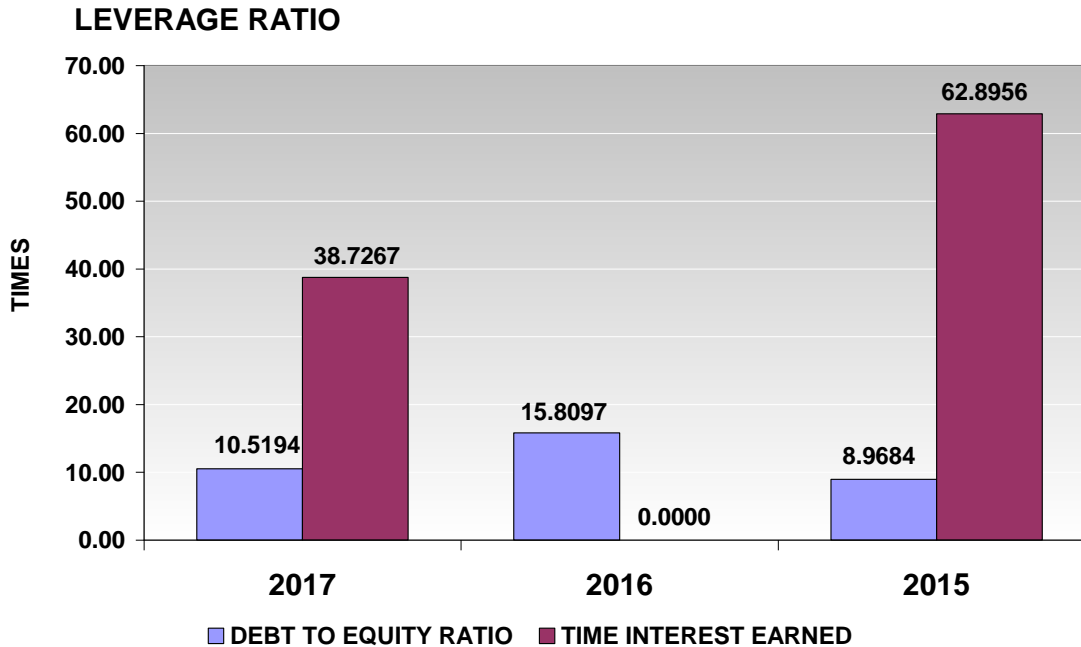
**Trend of the average competitors in the same industry for last 5 years**

Current Ratio                      Uptrend

**LEVERAGE : ACCEPTABLE**



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**LEVERAGE RATIO**

Debt Ratio	0.91	Acceptable	Industrial Average	0.72
Debt to Equity Ratio	10.52	Risky	Industrial Average	2.54
Times Interest Earned	38.73	Impressive	Industrial Average	-

Debt to Equity Ratio a measurement of how much suppliers, lenders, creditors and obligors have committed to the company versus what the shareholders have committed. A higher the percentage means that the company is using less equity and has stronger leverage position.

Times Interest Earned measuring a company's ability to meet its debt obligations. Ratio is 38.73 higher than 1, so the company can pay interest expenses on outstanding debt.

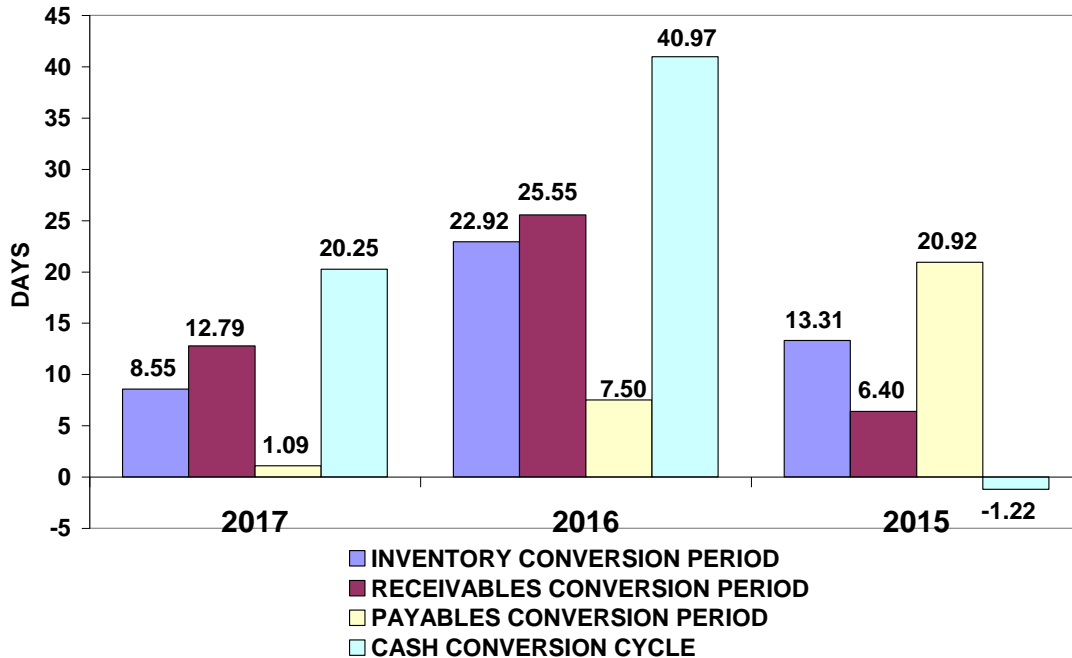
Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.91 greater than 0.5, most of the company's assets are financed through debt.

**Trend of the average competitors in the same industry for last 5 years**

Debt Ratio	Downtrend
Times Interest Earned	Stable

**ACTIVITY : EXCELLENT**

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**ACTIVITY RATIO**

Fixed Assets Turnover	36.82	Impressive	Industrial Average	-
Total Assets Turnover	11.65	Impressive	Industrial Average	3.63
Inventory Conversion Period	8.55			
Inventory Turnover	42.68	Impressive	Industrial Average	9.20
Receivables Conversion Period	12.79			
Receivables Turnover	28.55	Impressive	Industrial Average	8.24
Payables Conversion Period	1.09			

The company's Account Receivable Ratio is calculated as 28.55 and 14.28 in 2017 and 2016 respectively. This ratio measures the efficiency of the company in managing its trade debtors to generate revenue. A lower ratio may indicate over extension and collection problems. Conversely, a higher ratio may indicate an overtly stringent policy. In this case, the company's A/R ratio in 2017 increased from 2016. This would suggest the company had good performance in the management of its debt collections.

Inventory Turnover in Days Ratio indicates the liquidity of inventory. It estimates the number of days that it will take to sell the current inventory. Inventory is particularly sensitive to change in business activities. The inventory turnover in days has decreased from 23 days at the end of 2016 to 9 days at the end of 2017. This represents a positive trend. And Inventory turnover has increased from 15.93 times in year 2016 to 42.68 times in year 2017.

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The company's Total Asset Turnover is calculated as 11.65 times and 7.22 times in 2017 and 2016 respectively. This ratio is determined by dividing total assets into total sales turnover. The ratio measures the activity of the assets and the ability of the firm to generate sales through the use of the assets.

**Trend of the average competitors in the same industry for last 5 years**

Fixed Assets Turnover	Stable
Total Assets Turnover	Uptrend
Inventory Turnover	Uptrend
Receivables Turnover	Uptrend

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupee
US Dollar	1	INR 71.74
UK Pound	1	INR 90.58
Euro	1	INR 81.46
Thai Baht	1	INR 2.19

**Note** : Above are approximate rates obtained from sources believed to be correct

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	TPT

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**RATING EXPLANATIONS**

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)